GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:4704
ANSWERED ON:23.08.2001
REQUEST FOR REDUCING THE PREMIUM RATE OF SUGARCANE FROM MAHARASHTRA
NARESH KUMAR PUGLIA

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government of Maharashtra has requested the Union Governmentto reduce the premium rate of sugarcane crop from 2.5% to 0.50% under the National Agriculture Insurance Scheme;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a): Yes Sir.

(b) & (c): Keeping in view the variability in the past yield data of sugarcane, State Government of Maharashtra requested for reduction in the premium rate from 1% to 0.5% under National Agricultural Insurance Scheme (NAIS).

General Insurance Corporation of India (GIC) which is the Implementing Agency (IA) works out actuarial premium rates for annual commercial/horticultural crops (including sugarcane) covered under NAIS.The methodology adopted by the IA forworking out the actuarial premium rates has already been communicated to the Government of Maharashtra. According to GIC, besides variability in the past yield data other factors such as inflationary trends, sum insured, data inconsistency, moral hazards, anti-selection etc. are also taken in to account while calculating the actuarial premium rates. Accordingly, GIC has worked out the premium rate of 1% for sugarcane in Kharif 2000 season.